

## **New MasterCard Worldwide Research Explores Strategic Role of Cities in Driving Global Commerce**

**Report Names 50 Cities as Hubs of the New Worldwide Economy**

**London Holds Top Spot, Four of Top 10 Are in the Asia Pacific Region**

*Purchase, NY – June 12, 2007* – MasterCard Worldwide today announced the first set of findings of a groundbreaking research effort, the *MasterCard Worldwide Centers of Commerce™* program, designed to provide insights and knowledge on how leading cities influence the global economy. Central to this new research platform and unveiled today is the first annual *MasterCard Worldwide Centers of Commerce Index™*, the most comprehensive analysis to date of how major cities compare in performing critical functions that connect markets and commerce globally.

The Index, developed by a panel of leading economists, lists and ranks the top 50 Centers of Commerce based on six measurement dimensions consisting of over 100 data points. It places London first, followed by New York, Tokyo, Chicago and Hong Kong in the top five. Completing the top 10 are Singapore, Frankfurt, Paris, Seoul and Los Angeles. The full report is available at [www.mastercardworldwide.com](http://www.mastercardworldwide.com).

“A prerequisite for success in today’s global marketplace is an in-depth understanding of how cities are connected and how they grow,” said Robert W. Selander, president and chief executive officer, MasterCard Worldwide. “The Worldwide Centers of Commerce program addresses this need by identifying and providing industry-leading insights into the characteristics and commonalities of cities that advance global commerce most.”

Complementing the Worldwide Centers of Commerce Index, MasterCard also released today the Worldwide Centers of Commerce Insights report titled, “The Dynamics of Global Cities and Global Commerce.” The report includes additional, in-depth expert commentary on the vital role cities play in connecting networks to enable global commerce and is available at [mastercardworldwide.com](http://mastercardworldwide.com). In the coming months, subsequent reports will be released as part of this initiative, including a growth index that measures the pace and scope of changes taking place within each city identified in the Centers of Commerce Index, and an additional index that will identify and track emerging Centers of Commerce in the developing world.

“The trend of commerce becoming more knowledge-driven and less tangible has actually elevated the role of today’s cities, positioning them as the hubs of complex circuits that fuel the globalized economy and provide connections through which true global commerce takes place,” said Dr. Yuwa Hedrick-Wong, Economic Advisor, MasterCard Worldwide. “This

research provides valuable insight into the cities that sit at the center of global commerce as well as the factors that are fueling commerce in each.”

## Key Findings

- **London: The world’s leading Center of Commerce.** With a flexible operating environment for business, strong global financial connections and exceptionally high levels of international trade, travel and conferences, London secures the top spot in the Centers of Commerce Index. The city outperforms New York in four of the six measurement dimensions, and scores significantly higher than other European cities.
- **National economic factors, market regulations place New York behind London.** Once considered the unchallenged financial capital of the world, New York cedes the Financial Flow category to London primarily because bond market regulations in New York affect the volume of listed sales. New York’s score is also impacted by the less stable US economy and the more volatile US dollar.
- **Finance and innovation make Chicago number two in US.** The fourth-ranked center of commerce globally, topping cities such as Hong Kong and Los Angeles, Chicago’s commodities and financial markets help it rank high in financial flow, while its world-class institutions of higher education lead to high marks on innovation and knowledge creation.
- **The easiest places in the world for doing business: Montreal, Toronto and Vancouver.** A strong national health care system, excellent infrastructure, low traffic and easy access to public transportation helped make Montreal, Toronto and Vancouver the three cities most attractive for doing business.
- **Europe’s entry point for South American business, Madrid, emerges as a financial leader.** Madrid ranks number 16 globally and sixth in Europe, driven largely by an exceptionally strong bond market, low inflation and low level of GDP and exchange rate variance.
- **Economic divide between Eastern and Western Europe remains.** The lowest ranking Western European city on the list, Rome, scores nearly equal to Budapest, the highest ranking Eastern European city, a gap that persists within all six dimensions.
- **Tokyo’s powerhouse economy leads to top ranking in Asia Pacific.** Tokyo, the leader in its region and number three overall, boasts the Nikkei 225, the world’s leading rate of patent creation, and an air traffic hub second only to Hong Kong.
- **Three one-time “Asian Tigers” make the top ten.** Hong Kong, Singapore and Seoul all rank among the top 10 Centers of Commerce, with Seoul scoring high marks for its higher education system and patent output, while Hong Kong and Singapore boast top

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rankings for the strength of their business climate and their prominence in the global financial network. Singapore also rates high for government policies that favor international business and trade.

- **Strong business climate makes Dubai the Middle East leader.** The region's air and cargo traffic hub, Dubai, also claims a flexible business climate that makes it optimal for growing companies.
- **Latin America is increasingly becoming more global and competitive.** Three cities from Latin America placing among the world's top 50 Worldwide Centers of Commerce is a strong statement of how the region continues to elevate its role in the global economy.

## **Methodology**

The Worldwide Centers of Commerce Index is compiled from research by a panel of eight independent economic, urban development and social-science experts from leading academic and research institutions around the world, led by Dr. Hedrick-Wong. To form the index, the panel first identified 63 cities around the world that met their initial criteria.

Cities were then rated on the six dimensions:

- Legal and political framework
- Economic stability
- Ease of doing business
- Financial flow
- Business center
- Knowledge creation/information flow

This entailed measuring a number of equally weighted, relevant indicators and sub-indicators that aggregate available data on region-specific procedures, costs and ratings, as well as criteria related to quality of life, access to technology, city livability, logistics and knowledge creations and creativity. In total, over a period of four months, the panel evaluated six dimensions, 41 indicators and more than 100 sub-indicators to derive an Index ranking for each city, a process that exceeds traditional measures used to gauge worldwide financial and business activity.

## **About the Worldwide Centers of Commerce Research Team**

Leading the Worldwide Centers of Commerce program is Dr. Yuwa Hedrick-Wong, Economic Advisor, Asia/Pacific, MasterCard Worldwide. With more than 25 years experience as an economist, business strategist and writer, Hedrick-Wong is one of the foremost experts on Asian economic trends and has counseled senior executives and board members at more than 50 global companies. To assist him in this research, Hedrick-Wong assembled a panel of leading experts in economics, urban development and social-science from around the world, including:

- Professor Fan Gang, Director, National Economic Research Institute, Beijing
- Manu Bhaskaran, Partner/Head, Economic Research, Centennial Group, Singapore
- Dr. Michael Goldberg, Professor Emeritus, Sauder School of Business, University of British Columbia
- Professor William Lever, Emeritus Professor of Urban Studies, University of Glasgow
- Professor Maurice D. Levi, Chair of Bank of Montreal Professor of International Finance, University of British Columbia
- Dr. Anthony Pellegrini, Partner/ Director of the Urban and Infrastructure Policy and Finance Practice, Centennial Group, Washington, DC
- Dr. Saskia Sassen, Ralph Lewis Professor of Sociology, University of Chicago and Centennial Visiting Professor, London School of Economics
- Professor Peter J. Taylor, Co-Director, Globalization and World Cities Research Group and Network, Loughborough University, UK

### **About MasterCard Worldwide**

MasterCard Worldwide advances global commerce by providing a critical economic link among financial institutions, businesses, cardholders and merchants worldwide. As a franchisor, processor and advisor, MasterCard develops and markets payment solutions, processes over 16 billion transactions each year, and provides industry-leading analysis and consulting services to financial institution customers and merchants. Through its family of brands, including MasterCard®, Maestro® and Cirrus®, MasterCard serves consumers and businesses in more than 210 countries and territories. For more information go to [www.mastercard.com](http://www.mastercard.com).

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*Media Contact:*

*Jennifer Stalzer, 914-249-5325, [jennifer\\_stalzer@mastercard.com](mailto:jennifer_stalzer@mastercard.com)*

*Jeff Dahncke, 212-445-8217, [jdahncke@webershandwick.com](mailto:jdahncke@webershandwick.com)*